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# AGRICULTURAL COOPERATION

LEGAL, ECONOMIC, AND ORGANIZATION INFORMATION COLLECTED BY THE BUREAU OF AGRICULTURAL ECONOMICS,  
UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

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August 31, 1925.

Vol. III, No. 18.

## TEXAS COTTON ASSOCIATION COMPLETES FOURTH SEASON

Expenses of operation in the 1924-25 season for the Texas Farm Bureau Cotton Association, Dallas, amounted to \$1.99 per bale, compared with \$2.26 the previous year, a reduction of 27 cents. The number of bales handled was 284,321, compared with 182,318 bales of the 1923 crop. Included in the association expense were the following items: General office, surety bonds, directors, treasury department, sales, classing, executive officers, Houston office, legal department, field service, Farm Bureau News, publicity, interest on building indebtedness, taxes and insurance on buildings, operation of finance corporation, etc. Practically every item showed a less cost per bale than the year before. Interest cost was reduced from \$1.25 to \$.82. This was partly due to the better financial standing of the association this year, enabling it to make more favorable contracts with banks, also partly to the more efficient management of the treasury department "in the way of keeping the income from sales between distributions where it could be used to pay off maturing obligations, and also from the employment of the funds of the organization after all obligations had been paid on an interest-bearing basis between the date of the last distribution and the final settlement."

Handling expenses were reduced from \$2.67 to \$2.56 per bale. This included insurance, warehousing, compressing, patching, and weighing at Houston. Comparing these expenses with those of the first year of operation when cotton was stored in 81 warehouses throughout the state, it appears that there has been a reduction in warehousing expenses from \$2 per hundred bales a day to \$.33 per hundred bales a day, and a reduction in insurance per \$100 per annum from \$1.31 to \$.135.

The average net price to members for the season was 23.27 cents per pound.

The president of the association at the time of announcing the final payment for the 1924 crop called attention to what he considered three outstanding accomplishments of the organization, namely, (1) the establishment of credit on a basis which permits the association to borrow at the lowest rates and on the best terms; (2) the development of consumer outlets for cotton in the principal markets; and (3) the development of a warehousing program which insures low rates for both storage and insurance.

### BIG ATTENDANCE AT OKLAHOMA COOPERATIVE SCHOOL

More than 350 people attended the first short course on cooperative marketing held at the Oklahoma Agricultural College, Oklahoma City, Okla., August 4-7, in connection with Farmers' week.

The president, voicing the sentiment of the college, said, "We believe in cooperation here at the college, and we believe that cooperative marketing is the biggest movement in the agricultural world at present." A history of cooperative marketing was given by the secretary of the National Council of Farmers' Cooperative Marketing Associations. Other subjects discussed by different speakers were, "The Economic Basis of Marketing;" "Economic Necessity;" "Aims and Purposes of Cooperative Marketing;" "Duties and Responsibilities of Members of Cooperative Associations;" "Duties and Responsibilities of Directors and Managers of Cooperative Associations."

Practically all directors and field men of the cotton, wheat and broomcorn associations of the state were present through all the sessions of the school, also county agents and teachers of vocational agriculture.

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### SEVENTY-FIVE DOLLARS ADVANCE FOR NORTH CAROLINA COTTON

Cotton picking began in the southern counties of North Carolina before the middle of August and deliveries to the North Carolina Cotton Growers' Cooperative Association, Raleigh, are expected to begin about two weeks earlier than ever before. Initial advances to members will be as follows:

500 pounds and up .....	\$75
481 to 499 pounds .....	70
451 to 480     "     .....	65
401 to 450     "     .....	55
351 to 400     "     .....	45

This is an increase of \$5 per bale over the initial advance of last year. Growers in this and other associations are urged to pack as nearly 500 pounds to the bale as possible and to adhere strictly to the rules recently adopted by the Southern mills of putting only 22 pounds tare to a 500 pound bale.

Efforts are also being made by the management to persuade growers to standardize on such varieties as Cleveland and Mexican Big Boll and get away from the exceptionally short varieties and also the long staple and to produce the heavy balled cotton desired by the Southern manufacturers and also by the foreign trade. Progress in this line of effort is indicated by the statement that the association in its first year handled 11,000 bales of staple cotton of various and sundry types. The second year it handled only 3,000 bales and last year fewer than 500 bales.

A new sales manager has been employed and the association is planning to make an effort to secure more direct mill business this year than ever before.

OKLAHOMA COTTON ASSOCIATION PRESENTS FINANCIAL STATEMENT

A financial statement of the operations of the Oklahoma Cotton Growers' Association, Oklahoma City, for the 1924-25 season to July 31, 1925, gives the following information which gives a fairly accurate picture of this marketing enterprise:

Producers participating .....	15,086 members
Quantity of cotton delivered .....	141,440 bales
Average delivery per member .....	9 "
Average weight per bale .....	513 pounds
Average Oklahoma price per pound .....	23.66 cents
Average paid members per pound .....	22.77 "
Average cost per bale for handling charges...	2.74 dollars
Average cost per bale for operating costs ...	1.30 "
Average cost per bale for field service .....	.93 "
Average total cost per bale for all expenses.	4.97 "

This total of \$4.97 per bale which is the gross cost of handling the association's business, includes all expenses connected with both the Oklahoma City and Galveston offices, all money spent for interest, insurance, warehousing, cost of supporting the American Cotton Growers' Exchange and the National Council of Farmers' Cooperative Associations, and every kind of field service expense. Certain items of miscellaneous revenue, including membership fees, violation settlements, interest, gain in tare and franchise, sales of loose cotton, etc., came to \$231.284 or \$1.6352 per bale. Had these credits been deducted from the \$4.97 the net cost per bale for the season would have been \$3.34 per bale.

Total revenue for the season amounted to \$17,412,313.95 or \$123.1074 per bale. Distribution of these funds was as follows:

	Total	Av. per bale
Advances and distributions to members .....	\$16,524,622.02	\$116.8312
Handling charges .....	387,897.83	2.7425
Office operating cost .....	184,660.64	1.3056
Field service expenses .....	131,687.94	.9311
Total .....	\$17,228,868.48	\$121.8104
Unexpended revenue for the season .....	183,445.47	1.2970

The cotton was handled in 90 pools on which the net prices to the growers ranged from 17.67 cents to 29.75 cents. Only 50 bales were included in the pool bringing the minimum price.

The first bale of the 1925 crop was received early in August and was immediately sent by express to Galveston where it was sold on the floor of the Galveston Cotton Exchange for 55 cents a pound. Weight of the bale was 475 pounds and the total price was \$261.25.

Earnest efforts are to be made to comply with the requests of the trade to stabilize and standardize the methods of handling cotton. As the trade wants a standard 500 pound bale, growers are urged to have their bales weigh between 475 and 525 pounds, thus aiding the association to establish a reputation for dependable weights.



### SOUTH CAROLINA TOBACCO BEING DELIVERED RAPIDLY

Deliveries of tobacco by the South Carolina members of the Tobacco Growers' Cooperative Association, Raleigh, N. C., are running close to a half million pounds daily. More than 3,000,000 pounds of tobacco was received in less than two weeks after the warehouses opened in that state. The 65 per cent cash advance is very pleasing to the growers. It compares favorably with prices received on the auction floors and attracts considerable attention from outsiders.

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### LARGE PERCENTAGE OF DARK TOBACCO SOLD

At the July meeting of the board of directors of the Dark Tobacco Growers' Cooperative Association, Hopkinsville, Ky., it was reported that 81.6 per cent of the 1924 crop of dark tobacco delivered to the association had been sold. The total quantity of tobacco yet to be sold was reported as over 57,000 hogsheads, consisting of 16,600 hogsheads of the 1922 crop, 33,000 hogsheads of the 1923 crop and 7,700 hogsheads of the 1924 crop.

It was decided by the directors that where growers had failed to market all their tobacco through the association, further payments on the 1922 and 1923 crops would be suspended until satisfactory settlements had been made.

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### BURLEY TOBACCO GROWERS TO HOLD ANNUAL ELECTION

Men to serve on the board of directors of the Burley Tobacco Growers' Cooperative Association, Lexington, Ky., for the coming year are now being selected. The procedure of selection includes mass meetings in the court house in each county with Burley members on August 22, an all-day county election September 19, and district conventions September 21.

At the county mass meetings twice as many persons are to be nominated as the number of delegates to be selected to attend the district conventions. At the county election on September 19, the delegates will be selected from the nominees, ballots having been distributed to all members ten days previous to the date of the election. The district convention will be held at the court house in that county in each district which delivered the greatest quantity of tobacco of the 1924 crop to the association. At each of the 22 conventions one director will be elected.

Delegates to the district convention will be in proportion to the quantity of tobacco delivered by the association members in the different counties, and the number of votes cast by the delegates will also be in proportion to the number of pounds of tobacco delivered.

The present election will be the fifth held by the Burley Association, which began business in the winter of 1921-22 and has handled four crops of tobacco for its members.

INDIANA WHEAT POOLERS RECEIVE FINAL PAYMENT

Checks covering the final payment for wheat handled by the Indiana Wheat Growers' Association, Indianapolis, were sent out during the first half of July. While a considerable quantity of 1924 wheat was delivered to the association during June, that portion delivered after the middle of the month will be included in the 1925 pool.

An initial advance of 75 cents a bushel for No. 2 soft wheat is being made by the association. There is a premium of two cents for No. 1 wheat and a discount of three cents for No. 3 wheat and other discounts for lower grades. It is announced that the advance for hard wheat is 5 cents a bushel less than that for soft wheat.

The management reports that it has been able to arrange for storage for the wheat in the 1925 pool on a basis which is 20% below the storage costs for the 1924 pool. Furthermore the interest rates on money borrowed for the advance payments are substantially less than those paid a year ago and insurance on grain in terminal warehouses is costing only about one-half what it did last year.

So far deliveries of wheat for the 1925 pool have been very heavy.

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MANITOBA WHEAT MARKETING FOR APPROXIMATELY ONE CENT A BUSHEL

Total deductions for overhead expense in connection with the marketing of wheat by the Manitoba Cooperative Wheat Producers, Ltd., Winnipeg, Manitoba, was but a trifle over 1 cent a bushel for the more than 8,400,000 bushels of the 1924 crop handled. Detailed statements prepared by chartered accountants indicate that the total deductions by the association for the pool year were \$89,883. This total was made up of several items including, wheat operating expenditures, \$31,127; administration and promotion expenditures, \$11,098; directors' indemnities and traveling expenses, \$1,532; wheat pool share of cost of annual meeting, \$3,200; preliminary expense, one quarter, \$3,524; reserve, \$1,000; interest, insurance and storage charges made by line elevators, \$38,400. The total office and administrative expense on a bushel basis was 0.613 cents and the line elevator charges were 0.457 cents a bushel.

The larger of the items making up the wheat operating expenditures mentioned above for the pool year were: salaries, \$23,045; printing and stationery, \$3,683; legal and audit fees and expenses, \$3,511; postage, telegrams and telephones, \$2,407; rent, light and taxes, \$2,384; depreciation on office equipment, \$1,739.

A coarse grain pool was started during the year and part of the expenditures, such as those covering promotional expense, preliminary expense, and annual meeting expense, were prorated between the two pools in accordance with the number of signed contracts held by each.

Members of the association received the pool price for the grade of wheat delivered less 1.07 cents a bushel and less the handling charges and the freight necessary for delivery at Fort William on Lake Superior.

### COOPERATIVE GRAIN MARKETING ENCOURAGED BY ILLINOIS ASSOCIATION

Three different methods are being employed by the Illinois Agricultural Association, Chicago, in its efforts to serve its grain-growing members. In the southern portion of Illinois where soft wheat is grown largely, arrangements have been made whereby wheat growers may become members of the Indiana Wheat Growers' Association, Indianapolis, Ind. Over 200 farmers in four counties have joined the Indiana organization and so far this year have delivered over 130,000 bushels of grain.

The Illinois Agricultural Association stands ready where there is need of local elevators for handling grain, to assist producers in forming companies for the launching of such enterprises.

With the purpose of supplying a farmer-controlled outlet for grain on the Chicago market the association has assisted in the organization of the Rural Grain Company, which has made application for a seat on the Chicago Board of Trade and plans to function as a selling agency.

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### SASKATCHEWAN WHEAT POOL MAKES ANOTHER DISTRIBUTION

Semi-official reports indicate that a second interim payment of 20 cents a bushel was made to members about August 1 by the Saskatchewan Co-operative Wheat Producers, Ltd., Regina, bringing the price to that date to \$1.55 per bushel, basis No. 1, Fort William. On account of the large volume of wheat received in the last few weeks it was considered advisable to hold the pool open longer than had been planned and to make this second interim payment in order that the growers might have the funds for financing their harvesting operations in connection with the 1925 crop. Twenty cents was paid on No. 1, No. 2, No. 3, and No. 4 Northern, and 15 and 10 cents on less valuable grades. Over 50,000 farmers participated in this distribution which amounted to approximately \$10,000,000.

Since the Saskatchewan wheat pool began receiving grain on September 8, 1924, it has handled over fifty million bushels of wheat. The initial advance for No. 1 Northern, Fort William, was one dollar, and a payment of 35 cents a bushel on all grades was made in March.

Final payment is planned for early in September. No prediction of the amount is attempted.

It is stated that while this announcement was made for the Saskatchewan pool alone it was of equal interest to the farmers of Alberta and Manitoba, as the wheat of the three provinces was sold through one central agency and the prices received must necessarily be practically the same.

Progress has been made in building up direct sales connections in the United Kingdom and in France, and the pool salesmen are in daily touch with the large buyers, including the cooperative wholesale societies and large millers. It is stated that sales are being made to 400 French millers. Special agents are located at Hamburg, Berlin, Genoa, Antwerp, Rotterdam, Copenhagen, Helsinki, Zurich, Riga, Stockholm, and Oslo.



NORTH DAKOTA COLLEGE GIVES SHORT COURSE FOR ELEVATOR MANAGERS

A short course for elevator managers has just been concluded at the North Dakota College, Agricultural College, N. Dak. Among the subjects discussed were, "Cost of operating country elevators for different volumes of grain handled," and "Margins of profit under various conditions." The discussions were based on a study of 225 farmers' elevators in different parts of the state. A request was made that a similar school be held next year.

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MICHIGAN GRAIN COMPANY DOING GOOD BUSINESS

Sales amounting to over one million dollars for the past year are reported by the Farmers' Cooperative Grain Company of Kinde, Michigan. The produce for the year, consisting of 256 cars of beans, wheat, rye, oats and barley, was marketed through the Michigan Elevator Exchange, with which the Farmers' Cooperative Grain Company is affiliated.

This association has a surplus working capital of \$26,000. A profit of \$16,580 for the year is reported, one-third of which was refunded to the members on a patronage basis and the balance retained as additional working capital.

The Farmers' Cooperative Grain Company was organized about 1911 and has 425 active members, practically all farmers.

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MINNESOTA WHEAT GROWERS TO RECEIVE FLAT RATE OF ADVANCE

Advances to members of the Minnesota Wheat Growers' Cooperative Marketing Association, Minneapolis, will be at a uniform rate for the 1925 crop, according to a recent announcement, instead of on the basis of 75% as heretofore paid. Effective August 1 the association is advancing \$.90 per bushel for No. 1, Hard Spring, Dark Northern, and Northern Spring; \$.85 for No. 1 Winter; \$.80 for No. 1 Amber Durum; \$.75 for No. 1 Common Durum; with differentials of 1 to 15 cents for the lower grades. It is stated that this plan simplifies the accounting of the association and of the banks. In the event of a decided change in prices a new schedule will be worked out.

All 1924 wheat was sold by the first of August, one month after the pool closed, and the final checks will soon be mailed to members. Two cents per bushel is to be set aside as a reserve, one cent for a permanent reserve and one cent for a temporary fund.

At the July meeting of the board of directors it was decided to close the 1925-26 pool on May 1, 1926, in order that earlier settlement could be made to members. At the same meeting the secretary was authorized to communicate with the other pools handling hard spring wheat in regard to handling this type of wheat through a joint agency.

ITALIAN GARDENERS ARE COOPERATING IN WASHINGTON STATE

About 100 gardeners of Italian origin are marketing their garden products through their own cooperative organization, the Walla Walla Gardeners' Association, Walla Walla, Wash. This association was formed in 1916 in response to a pressing need. It began with a membership fee of \$25 which has since been increased to \$300. The association is now organized under the Washington Cooperative Act as a non-stock, non-profit enterprise. During 1924 total sales amounted to \$425,713, of which amount \$346,502 was net sales of vegetables and garden truck and nearly \$80,000 came from the sale of supplies to growers and because of the rendering of special services.

At the close of 1924, total assets of the company were \$75,000, and the net worth, \$36,000. The association has a seven-car capacity warehouse at trackside and its own cold storage plant at which vegetables to be shipped to distant points are pre-cooled. Among the vegetables handled are onions, asparagus, rhubarb, cabbage, lettuce, radishes, beets, carrots, turnips and potatoes.

Most of the members of the organization live within a radius of five miles and most of them are operating small farms of from 5 to 20 acres.

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NEW MARKETING POLICY OF NEW YORK APPLE GROWERS

A new marketing policy which in several respects is the antithesis of its former policy has been adopted by the Western New York Fruit Growers' Cooperative Packing Association, Rochester, N. Y. It has been decided to discontinue the quarter-inch sizing of apples with the same size throughout the package and henceforth to recognize only a minimum size with the package faced for merchandising purposes. Hereafter the identity of the grower of the contents of each package is to be preserved by a number or other mark on each container. The 10% deduction from net sales which has prevailed in the past is to be superseded by a flat charge per package. It is stated that such a uniform charge will relieve the good fruit from the excessive charges of the past and will cause the poor fruit to carry a heavier charge than formerly, thus encouraging the production of good fruit.

A deduction of one cent a barrel or its equivalent has been decided upon as a means of obtaining working capital. It is expected that eventually this deduction will become part of a revolving fund.

The usual advance on December 1 is to be continued. Hereafter pools are to be closed as soon as the returns have been received for 90% of the fruit in any pool, the value of the remaining 10% being estimated.

Although the 1924 apple crop handled by the association was small, the management succeeded in meeting all expenses with the commission of 10% on net sales.

FACTS REGARDING MARKETING OF MAINE POTATOES

Considerable detailed information regarding the Maine Potato Growers' Exchange, Caribou, Me., is given in the annual report of the president to the board of trustees for 1924-25. The number of barrels of potatoes handled was 3,396,724. (See Agricultural Cooperation, August 17, 1925, p. 335.) The net sales f.o.b. bulk amounted to \$3,283,834 from which was deducted \$870,029 for maintenance and operations; \$71,474 for insurance paid for members; and \$112,091 for warehouse investment and reserve; leaving \$2,230,288 which was paid to members in cash. As the insurance payments were made for members, and the deductions for warehouse investment and for reserve are credited to the growers, their real returns were \$2,413.854 or 71.06423 cents a barrel. This amount is 74% of the net sales on an f.o.b. bulk basis.

Among the larger items of expense included in the deductions for maintenance and operations were the following: warehousing, \$462,191; sales, \$150,724; seed department, \$65,497; interest and exchange, \$31,918; accounting department, \$24,602; official salaries and expenses, \$25,302; farm grading, \$20,296; traffic department, \$16,940; field service department, \$16,556.

At the close of its second year of operation the exchange owned 34 warehouses with a combined capacity of 322,966 barrels. Fifteen of the warehouses had been purchased and 19 had been built. In addition to its own warehouses it leased during the marketing season just closed 154 warehouses with a combined capacity of 982,755 barrels. It is estimated that the average cost of warehousing was 10.4 cents a barrel. It is also estimated that the exchange saved to its grower members \$73,368 because of the improved warehousing methods employed. Equipment valued at \$39,732, which is entirely paid for, is owned by the exchange.

Insurance premiums were reduced from \$100,967 for the 1923-24 crop to \$71,474 for the 1924-25 crop.

The shipping season extended from September 10, 1924 to June 24, 1925, and included 244 shipping days. A total of 13,734 cars were shipped which was an average of over 56 cars a day. Of the total cars shipped, 5,654 went to New England points; 3,637 to points in New York State; 1,757 to Pennsylvania; 726 to New Jersey; 509 to Georgia; 416 to Florida; 332 to Virginia and smaller numbers to other states. Forty-eight cars of potatoes were disposed of as starch potatoes. A total of 1,353 cars of potatoes were sold as seed stock. Claims were collected by the traffic department to the amount of \$9,337.

Sacks and twine to the value of \$372,885 was purchased by the exchange for its members.

It is estimated by the management that there are balances available for small refunds to the growers in connection with both the 1923-24 and 1924-25 crops. The refund for the former season will be about \$24,600 and for the latter season about \$5,800.

Among the achievements of the exchange for the past year was the organization of the Maine Exchange Agricultural Corporation which provided a credit of \$300,000 to the growers in connection with the production of the 1924-25 crop.



ALBERTA DAIRY POOL SECURES NECESSARY SIGN-UP

Announcement is made that the number of signatures specified in the contract has been secured for the provisional Alberta Dairy Pool, and a meeting of the provisional board has been called to determine formally the volume of dairy products signed up, preparatory to calling the first general meeting of representatives of the membership. Delegates to the first meeting are to be selected by a post card ballot.

Producers are assured that no contracts will be enforced in any district until suitable handling facilities can be provided.

It is stated that "as a result of the demand of producers of milk for city delivery, particularly in the territory around Edmonton and Calgary, it is possible that the pool may undertake the handling of this commodity." Large percentages of the producers near these cities have signed up. "We found that the city milk shippers were just waiting for something in the nature of what the pool can give them."

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VERMONT CREAMERY FORTY YEARS OLD

For forty years the Deerfield Valley Creamery Association at Wilmington, Vt., has been functioning as a farmers' business organization. The reports of the auditors are available for the last ten years. These show that the quantity of butter made has increased annually from 78,465 pounds in 1915 to 121,043 pounds in 1924. This is an increase of 54%. During the same period returns to patrons increased by 137% and expenses by 109%. There are about 30 stockholders and about 100 patrons. Six per cent dividends are paid on capital stock. The resources of the enterprise on December 31 last, amounted to \$6,845, made up of cash on hand of \$3,091; accounts receivable, \$2,747; and stock on hand, \$1,008. Its liabilities were amounts due patrons for December, \$4,693; and surplus, \$2,152.

The growth of the enterprise during the past ten years is indicated by the following figures:

Year	:	Butter Made	:	Paid for Cream	:	Expense
	:	Pounds	:	Index	:	
1915	:	78,465	:	100	:	\$22,062 : \$2,550
1916	:	79,410	:	101	:	25,715 : 2,793
1917	:	80,379	:	102	:	32,645 : 3,023
1918	:	83,222	:	106	:	39,876 : 4,183
1919	:	92,029	:	117	:	51,678 : 4,849
1920	:	99,752	:	127	:	58,131 : 6,065
1921	:	114,923	:	146	:	47,279 : 6,209
1922	:	118,936	:	152	:	47,889 : 5,334
1923	:	129,571	:	165	:	60,204 : 6,192
1924	:	121,043	:	154	:	52,333 : 5,340

The expense of operation has varied from 8.5% in 1917 to 11.6% in 1921. One half of the time it was between 9 and 10%.



ATLANTIC COAST EGG PRODUCERS DEVELOPING CONSUMER DEMAND

The past year the management of the Atlantic Coast Poultry Producers' Association, New York City, has been working out a program for the more efficient operation of the organization. The present membership is scattered through eleven states including New York on the north, Georgia on the south and Indiana on the west. The members have flocks totaling over 200,000 hens. In the past twelve months the number of persons employed has been reduced from 29 to 14 and the monthly pay roll is less than one-half that of a year ago. Rent has been cut from \$15,000 to \$4,000 a year. Over \$15,000 of doubtful accounts have been written off. A modern accounting system has been installed and the management is working out plans for developing a consumer demand. A cooperative composed of people of Finnish extraction has been interested in the products handled by the poultry association.

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OHIO PRODUCERS DELIVER EIGHT CARS OF EGGS IN TWELVE DAYS

During the first 12-days pool conducted by the Ohio Poultry Producers' Cooperative Association, Wauseon, Ohio, the members delivered 3,071 cases or eight car loads of eggs. Every marketable egg was candled, graded, packed, delivered, and sold. It is stated that after placing a few sample express shipments in the larger markets of the country, the association had no difficulty whatever in disposing of the remainder at satisfactory prices as "Buyers are hunting for choice, fresh-laid eggs of supreme quality and are competing with each other to get a chance to buy our product."

The first case of eggs was received by the association on July 9, and since that time the plant has been opened up gradually. So many problems arose that it was decided that the best thing to do was to see all the membership personally and explain matters. Accordingly a series of meetings was planned in the vicinity of loading stations. Twelve such meetings have been held with an attendance of from 75 to 175. An egg-marketing specialist from the U. S. Department of Agriculture has given instruction on matters of egg production, home storage, cooling and packing at home before sending to the central grading plant, cleaning of eggs, and management of the flock. The manager of the association explained the plan of operation of the association and answered questions regarding details. Demonstrations of grades and packs were given at some meetings. County agents gave talks on feeding of laying hens and growing stock, and a representative of the extension service of the State University gave what time he could to the meetings.

A similar series of meetings will be held the last of August and first of September in other sections of the territory.

Plans are now being worked out for handling poultry at the Wauseon plant. It is proposed to concentrate small lots of live poultry at the plant and to grade, sort and ship in carlots. Also live poultry will be received at convenient points in the association territory and loaded in carlots for shipment to market.

BUSINESS INCREASING WITH CALIFORNIA POULTRY PRODUCERS

A report by the general manager of the Poultry Producers of Central California, San Francisco, covering the first half of the calendar year of 1925, indicates that the association has enjoyed an increase in membership and a substantial increase in volume of business. "Many of the largest egg producers joined the association during the latter part of 1924 and the early part of 1925."

During the first half of 1925, 472,928 cases of eggs were handled and \$4,408,636 was advanced to grower members. These figures show an increase over the first half of 1924 of 89,434 cases of eggs and of \$1,508,641 in advances. The percentage increases are 23.3 per cent for eggs and 50.3 per cent for advances.

The increased volume of business resulted in lower per-case costs of operation and caused the reserves to accumulate much more rapidly than in 1924. The surplus from "general overhead" for the first six months of 1925 was \$19,168, compared with \$10,792 for the first half of 1924. The advance fund, which is derived from a deduction of one cent a dozen from members' returns increased during the six months by \$141,896.

During the 1925 period the association was able to borrow money for working capital at rates ranging from 4-3/4 per cent to 5 per cent.

Regarding membership problems the general manager says:

We believe that the weekly information about the association's business that we have been sending, has gone a long way toward keeping our members in close touch with the association. Many of our members can not attend meetings. Much that they should know about our business can not be published in Nulaid News. The more our members know about the association the more loyal they become.

Recent membership meetings .... have resulted in unanimous endorsement by the members personally of the association's management and policies. On account of the large volume of eggs under the association's control this year it has been looked upon as a determining factor of egg values on the Pacific Coast. The loyal support of our members has been no more in evidence than the loyalty and steadfast devotion of the board of directors and employees. The enthusiasm of our workers on this coast, as well as the enthusiasm of those connected with the Pacific Egg Producers, has been largely responsible for whatever success may have been obtained by your organization.

On June 30, a call was made for the retirement of the first issue of advance fund certificates to the amount of \$100,050. Following the retirement of these certificates the revolving fund stood at approximately one half million dollars.

Henceforth, eggs are to be received from members ungraded, as investigations show that it costs producers from 10 to 15 cents a case to grade eggs whereas grading can be done at the packing plants at a cost of only 3 cents a case.

LIVESTOCK MARKETING ASSOCIATIONS IN WESTERN CANADA

The United Livestock Growers, Ltd., Canada, was incorporated September 1, 1924, and formally commenced to operate on May 1, 1925. This company takes over the business which heretofore has been handled by the livestock department of the United Grain Growers, Ltd., Winnipeg, Manitoba. The operations of the new company really date from July 1, 1924, the accounts of the grain company being transferred as of that date.

The new organization was formed for the purpose of enabling the livestock growers of Western Canada to have a cooperative company devoted entirely to the marketing of livestock on a cooperative basis. Livestock marketing service is now maintained at St. Boniface, Manitoba; Moose Jaw, Saskatchewan; Calgary and Edmonton, Alberta. The United Grain Growers, Ltd., are standing behind the new enterprise, assisting it financially and giving it the benefit of the business experience of the older enterprise.

A contract arrangement has been proposed for uniting livestock producers, local shipping associations and their central selling agency into one system and giving the members through the associations representation on the board of directors of the United Livestock Growers, Ltd. It is planned to introduce a continuous contract between the local association and its members, also between the local association and the central selling agency, with the privilege of cancellation on June 30 of any year on two months' notice.

One of the principal features of the company is the cooperative pool selling of cattle. This plan was worked out in 1923 by the United Grain Growers, Ltd., because of unsatisfactory conditions in its livestock department. Pool periods were at first of only one week's duration and producers were advanced 70% of the appraised market value of their cattle when received. This proved to be too short a time for satisfactory pooling, consequently the period was made one year and the initial payment was increased to the full appraised market value of cattle at time received. Another change from the original plan was the amalgamation of the pools at Calgary, Edmonton and St. Boniface. It had been planned to keep the activities of these places separate, but it was found better to combine them.

The Alberta Cooperative Livestock Producers, Ltd., with headquarters at Edmonton, is another association recently formed in Western Canada for the marketing of livestock. The first meeting of the provisional board was held at Edmonton on August 19, 1924, and work was undertaken to effect the organization. A sign-up campaign was carried on throughout the following winter which closed in the spring with the minimum number of signers, and a general convention of the company was held on August 4, 1925. A marketing agreement covering the years 1924 to 1929 is being used.



### FREE SERVICE FOR LIVESTOCK SHIPPERS

Plans have been matured for the furnishing of a free service to the patrons of the Chicago Producers' Commission Association, in connection with shipping problems. A man with considerable experience in handling traffic matters for shippers of livestock has been employed and will give his time to assisting producers shipping to the commission in adjusting claims which they may have against transportation lines.

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### NEW LIVESTOCK SALES AGENCY IN INDIANA

The Producers' Live Stock Association of Muncie, Ind., began operating on the Muncie livestock market on July 9, 1925. This is a farmer-owned and farmer-controlled organization for the handling of livestock, the farmers of four counties having joined to set up the new enterprise. It is planned that the organization will furnish an outlet for the marketing of all kinds and grades of livestock. Sales are to be made to local buyers, shipments are to be made to the larger terminal markets and sales are to be made direct to the packers.

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### CALIFORNIA LAMB SHIPMENTS LARGEST IN HISTORY

Shipments of lambs to eastern markets from California, for the four months March 15 to July 15, are reported by the California Wool Growers' Association, San Francisco, to be the largest in history, while the prices for live lambs at shipping points are the best since the days of the gold rush, with the exception of the war period. More than 400,000 lambs were shipped out of the state during the period.

While the California Wool Growers' Association is not a marketing organization, it assists its members by furnishing information on prices and market conditions, and by suggestions. The stability of the market during this season of tremendous surplus production is attributed largely to the policy laid down by the board of directors of the association early in the spring of 1924, urging the sheepmen to market their lambs as they fattened, or to "top the band from time to time." As a result of this practice the marketing period has been spread over a much longer period, the movement has been steadier and, contrary to predictions of some, the plan has helped to maintain a fairly uniform price level.

In order to find out the number of lambs on hand for the summer and fall months the California Wool Growers' Association has prepared a questionnaire which all growers are asked to fill out and send to headquarters.



PRELIMINARY REPORT ON WOOL MARKETING NOW AVAILABLE

"Cooperative marketing of wool, 1922-1924: A preliminary report," is the title of a mimeographed circular just issued by the Division of Agricultural Cooperation, U. S. Department of Agriculture. Historical and statistical information is presented and the text is illustrated with charts and graphs. Requests for copies of the circular should be addressed to the Division of Agricultural Cooperation, U. S. Department of Agriculture, Washington, D. C.

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MORE WOOL INCLUDED IN NEW YORK STATE POOL THIS YEAR

A report from the New York State Sheep Growers' Cooperative Association, Inc., Syracuse, N. Y., states that most of the wools to be consigned to the pool this year have been received and graded. As usual the pool will close on September 1 and wool consigned to arrive after that date will be sold to the best possible advantage for individual account but not included in the pool. On August 5 the association had received 544,600 pounds of wool, or about 70,000 pounds more than was included in last year's pool.

In the six years beginning with 1920 the association has handled something more than 3,000,000 pounds of wool for the growers at prices somewhat in advance of prices offered by local buyers. Expenses of conducting the pools have been slightly over or slightly under four cents a pound in the different years.

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OHIO ASSOCIATION SEEKS CLOSER CONTACT WITH WOOLEN MILLS

In order to secure closer contact with woolen mill customers the president and secretary of the Ohio Wool Growers' Cooperative Association, Columbus, Ohio, have recently visited mills in Pennsylvania, New York, Vermont, Massachusetts, Connecticut, Rhode Island, and New Jersey. The trip had two purposes, one of which was to give the mills a better understanding of the policy of the association and what it was trying to do, and the other was to bring back to the growers the views of the mill operators as to how the value of the clip could be increased.

Both large and small mills were visited. In some cases only the managers were seen; in other mills they went through the plants and discussed each operation. It was found that the operators were always ready to take time to talk things over. Many were very friendly toward the co-operative marketing of wool as carried on by the Ohio association.

By seeing every operation from sorting of wool to the finished cloth, the visitors were able to see where many improvements could be made in growing and in handling. A full report of the observations is presented to growers in the Ohio Farm Bureau Federation News with a summary of some of the lessons learned from the trip.

### OHIO FARMERS SAVE MONEY ON PURCHASES

Patronage refunds to those purchasing supplies through the Ohio Farm Bureau Service Company, Columbus, during the first half of 1925 amount to \$47,000. The refund on fertilizers is 9% of sales; the refund on C. F. B. feeds, \$1.50 a ton and on other feeds 25 cents a ton.

There was an increase of 22% in the quantity of fertilizer handled during the first six months of 1925 as compared with 1924. The increase in feeds handled was 39% and the increase in seed orders, 50%. Increased quantities of tankage, meat scrap and oyster shell were also handled. The only decreases in 1925 as compared with 1924 were for binder twine and salt.

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### SASKATCHEWAN PLANNING FOR COOPERATIVE WHOLESALE SOCIETY

Plans are being prepared in Saskatchewan for the creation of a cooperative wholesale association to serve the cooperative trading societies of the province. The matter of organizing such an association was discussed at a conference of representatives of agricultural societies at the Parliament Buildings, in Regina, on July 29, and a provisional committee was appointed to formulate a plan for submission to the associations. It was urged that the new buying association affiliate with the Cooperative Union of Canada and thus secure the benefit of its educational work and experience.

Another resolution called upon the executive committee to give immediate attention to the matter of establishing facilities throughout the province to serve consumers who are now unable to take advantage of the cooperative purchasing of supplies. Certain minor changes in the existing laws were considered and the Minister of Agriculture was asked to recommend the changes.

The following evening "the greatest cooperative rally in the history of the province" was held in connection with the Regina Exposition, with 6,000 persons in attendance. Stirring addresses were delivered by the Premier, the Minister of Agriculture of Saskatchewan and the former Minister of Agriculture of Ontario.

A feature of the exhibition was the "Cooperative Alleyway" with a tent for each of the following associations: the Saskatchewan Cooperative Elevator Company, Ltd.; the Saskatchewan Cooperative Creameries, Ltd.; the Saskatchewan Municipal Hail Insurance Company, Ltd.; Saskatchewan Branch, Canadian Cooperative Wool Growers, Ltd.; Trading Department, Saskatchewan Grain Growers' Association; the Saskatchewan Registered Seed Growers' Cooperative Association, Ltd.; the Saskatchewan Agricultural Cooperative Associations (trading, community-halls, community grazing, livestock shipping, beef ring); the Saskatchewan Cooperative Stockyards (Northern, Prince Albert; Southern, Moose Jaw); the Wheat Pool and the Poultry Pool.

WASHINGTON COURT DISCUSSES QUESTION OF SETTLEMENT

The Supreme Court of Washington recently decided the case of the Northwest Hay Association v. Hanson et ux., 236 Pacific 561.

It appeared that in 1923 Mr. Hanson entered into a contract with the association under which he agreed to deliver thereto for purposes of sale all hay raised by him during the years 1923 to 1927, inclusive. He delivered a portion of his 1923 hay crop to the association but failed and refused to deliver the remainder thereof, and, in violation of his contract, sold a part of it to other persons. Thereupon the association brought suit for an injunction.

The hay received from Mr. Hanson was put in a pool of 4,900 tons and 2,900 tons thereof were sold prior to July 1, 1924, but at that time and at the time of commencement of the suit, the other 2,000 tons had not been sold but were being held by the association because of the unsatisfactory condition of the hay market.

By July 1, 1924, Mr. Hanson had been paid his part of the proceeds derived from the portion of the pooled hay which had been sold, but he had not been paid anything with respect to the hay which had not been sold. He contended that the statute under which the association was formed required the association to settle with him in full by July 1 following the year in which the crop delivered by him to the association had been raised.

The provision of the statute involved reads as follows:

Provided further, that said contract shall contain a date upon which settlement shall be made between the association and each of its members for the crop or product marketed by said association during the preceding marketing season, which date shall not be later than July 1st, following the year in which any such crop or product has been produced.

In view of the fact that the association had not settled in full with Mr. Hanson for the hay raised and delivered by him to the association in 1923 by July 1, 1924, the trial court apparently accepted the contention of Mr. Hanson as correct and dismissed the



suit brought by the association against him, and the association appealed.

The contract in question contained a provision reading as follows:

Payments to be made from time to time as rapidly as possible in due proportion, until the accounts of each pool of the season are completely settled, and final settlement for each season shall be made by July 1 of each year upon hay marketed prior to that date.

The Supreme Court reversed the judgment of the trial court, holding the contention of the defendant unsound. The following quotations from the opinion show the basis thereof:

We think the statute quoted must be construed to mean that the marketing contract shall contain a date, which shall not be later than July 1 following the year in which any crop is produced, on or before which the association must pay the member for such portion of the crop as has been at that date sold by the association. The word 'settlement' in the statute, it seems to us, must mean 'payment' and the word 'marketed' must mean 'sold.'

The statute simply requires the association to pay the producer for such portion of the crop as has been sold, and does not, in our opinion, prohibit carrying over by the association where such carrying over is considered wise because of market conditions. Whether the statute is a wise one or not is for the determination of the legislature.

L. S. Hullbert.



REFUNDS TO INDIANA PURCHASERS OF FERTILIZERS

Patronage dividends amounting to over \$23,000 have recently been sent out by the purchasing department of the Indiana Farm Bureau Federation, Indianapolis, on spring fertilizer. This amount was divided among the various counties, a number of which bought large quantities in the spring. These dividends amounted to approximately two and a half times as much as those on the fertilizer purchased in 1924.

The refunds came to \$2.64 on a ton of 2-12-2 which was sold at \$34.25, not including the 8% handling charge which is allowed to farm bureau units. On 20% acid phosphate the refund was \$4.13 per ton.

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AMERICAN COOPERATIVE JOURNAL NOW FARMERS' ELEVATOR GUIDE

The "Farmers' Elevator Guide" appeared in June, 1925, as the successor to the American Cooperative Journal and the American Cooperative Manager, which have been serving the farmers' elevators for a long term of years.

The change was brought about because of the conviction that the name of the American Cooperative Journal was somewhat misleading and not sufficiently distinctive. The new publication is to represent all farmers' elevators regardless of the form of their organization and be a guide to their mutual development. It is planned to make it of the greatest possible use to the farmers' elevators throughout the country.

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REINSURANCE COMPANY EXPECTED TO SERVE AS STABILIZER

The Farmers' Mutual Reinsurance Company, of Illinois, a joint project of the Illinois Agricultural Association and the Illinois Association of Farm Mutuals, is said to be rapidly gaining support among the farmers' mutual companies throughout the state. Many mutual companies have filed applications for reinsurance in the new company. Some of these applications have been for more than \$20,000 each and it is now expected that the \$500,000 worth of direct insurance necessary for a state charter will be obtained before September 1. Already 32 applications have been received for fire and lightning insurance. A campaign is being conducted to secure additional business.

The need for an organization to protect farmers' mutual companies is reported to be more apparent as time goes on. Lack of funds has been a deterring factor. The Illinois Agricultural Association has offered to advance the \$10,000 guarantee fund and the organization expenses, leaving to the mutuals only the task of securing the direct insurance to the amount of \$500,000. Reinsurance is expected to act as a stabilizer for all insurance by distributing the risks.

Illinois has 235 mutual fire insurance companies.

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